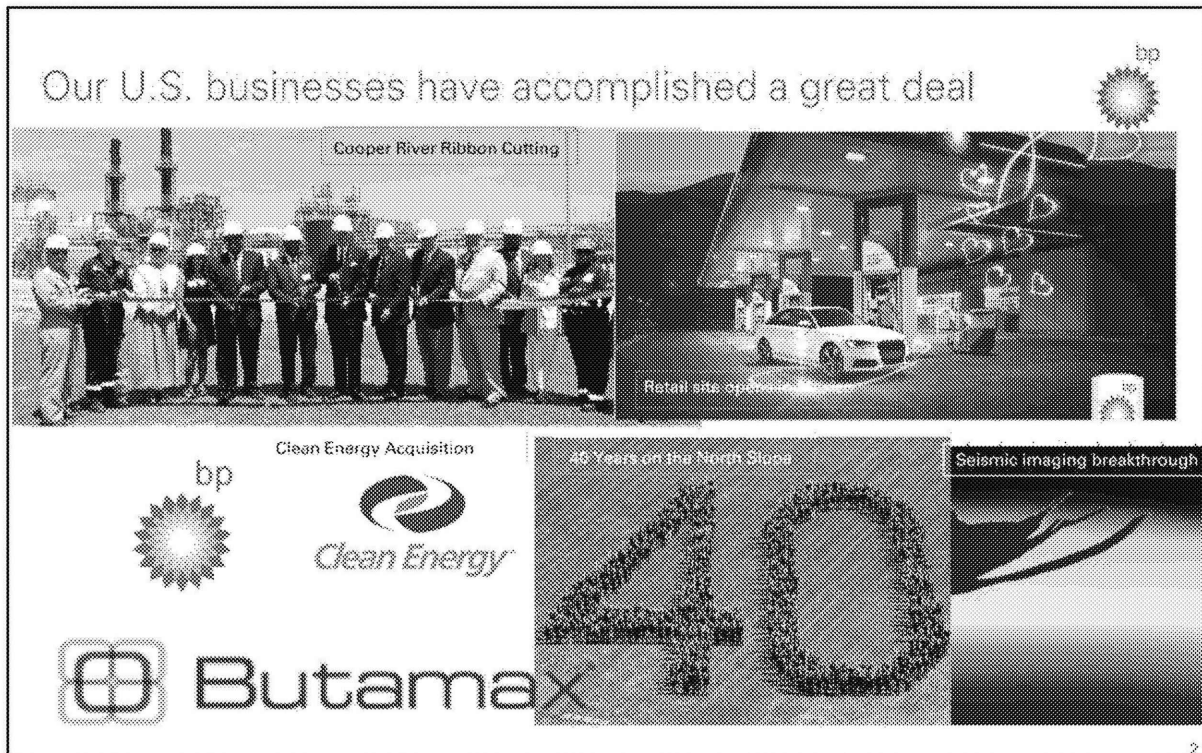





- It's great to be here with all of you. It's been a while since I have hosted a town hall here in Houston. In fact, at the last town hall I hosted, we still hadn't completed our campus moves.
- It's really nice to have the Wind business here at Helios Plaza and have the Gulf of Mexico team in Westlake One. There is a buzz and a business energy that we've all enjoyed.
- So we're more than halfway through the year. We haven't yet released our second quarter results, so I won't comment on overall financial performance. But let me ask each of you.
  - How are you feeling?
  - How do you think the company is doing?
  - How do you feel about the work you're doing? Our internal employee engagement surveys are starting to tell us that employees have more trust and confidence in the future of the company. Do you think that's true?
  - Do you all think you feel more optimistic about the company than you did last year at this time?
- I have to tell you... I feel good. I feel excited about the direction, the momentum and the activities of the company right now.
- I think all of you have a pretty good view on what's going on in our businesses globally..
- I want to use most of this town hall to talk about BP in America. I'll talk about what our businesses are doing in the U.S. and our people agenda and then reflect on the overall climate and opportunities.



It has been a remarkably productive first half of the year.

- I had the pleasure of celebrating in Alaska at the end of June. **John – reflections on the visit**
- And in June, our Cooper River team also had a ribbon-cutting to celebrate the completion of the plant's recent modernization project.
  - The project will increase the plant's production, while helping the site reduce electricity use by 40 percent and cut emissions. That's the equivalent of eliminating the electricity and heating emissions of about 2,000 U.S. households.
- And there's more. Our IST team hosted a customer forum. BP's Integrated Supply and Trading is arguably the largest commodity trader in the world.
- And they recently completed the acquisition of the upstream portion of Clean Energy's renewable natural gas business and entered into a long-term renewable natural gas supply contract with them. The acquisition will allow BP to accelerate the growth of renewable natural gas supply and meet the growing demand of the natural gas vehicle fuel market.
- And in a similar vein: BP's JV with Dupont, known as Butamax, recently acquired a bioethanol production facility in Kansas, to introduce its innovative bio-isobutanol technology. Bio-isobutanol can be used both as a biofuel and in the chemicals industry, and it has a number of significant advantages over bio-ethanol.
- And L48 continues to make great strides in boosting capital and production cost efficiency.
- Our BP Ventures team has invested \$20 million in a leading start-up company in artificial intelligence (AI) and cognitive computing.
- These are the types of innovation that should get everyone excited.
- These have all been delivered by YOU – our people. **John – reflect on people...**

We have enhanced benefits



**THE SUPER SIX**

Applied Behavior Analysts coverage

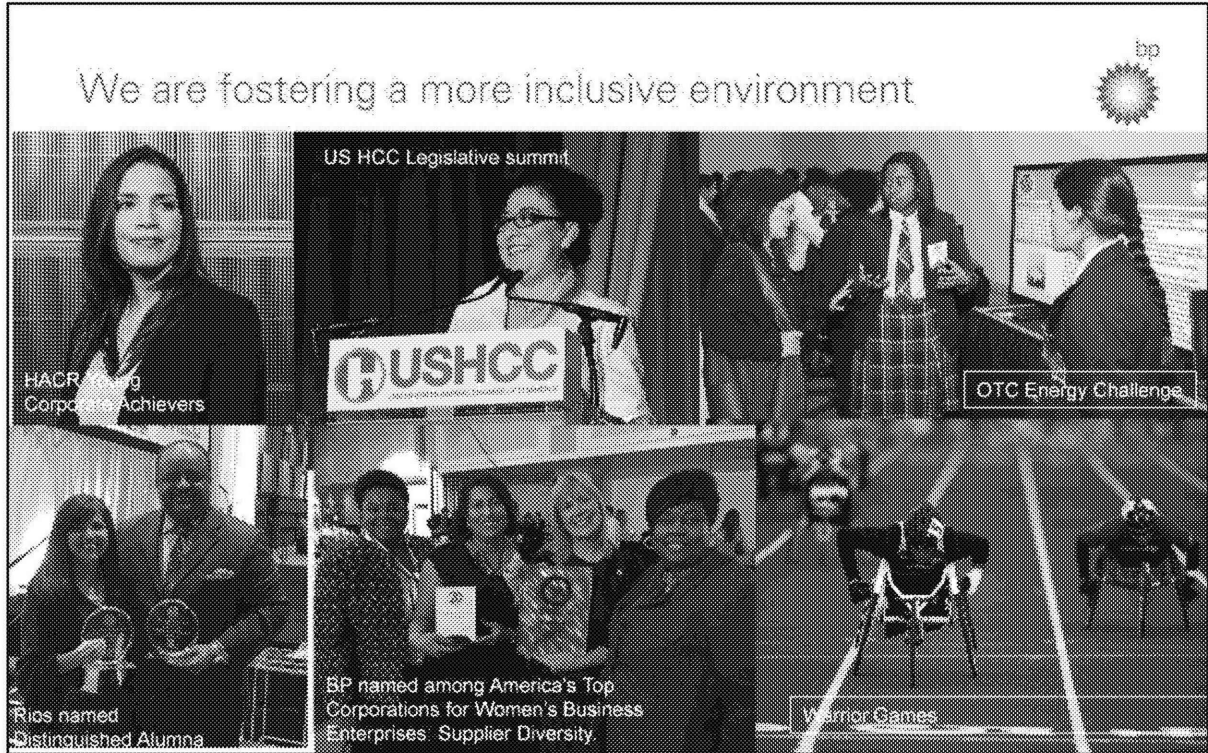
How a small group of dedicated parents helped change BP's autism coverage



The enhanced parental experience at BP

Enhanced parental leave

- As we deliver, we can't lose sight of how the work gets done.
- We work with great people who look out for each other in powerful ways.
- This past year, BP enhanced our benefits, thanks to advocacy from our Business Resource Groups.
- I am proud to offer enhanced time-off for all parents welcoming a new child. This includes 10-12 weeks for mothers who give birth, 4 weeks for adoption/surrogacy and 2 weeks for dads and partners.
- We also added coverage of a specialized autism therapy, called Applied Behavioral Analysis, for employees' children.
- And PRIDE helped advocate for medical coverage for gender reassignment surgery.
- These are benefits that recognize the importance of helping you juggle work and life, while also recognizing that we all win when we work in a diverse and inclusive environment.
- I have long embraced the importance of diversity and inclusion.



- As you know, earlier this year, I announced a new D&I office in the U.S., headed by Ray Dempsey.
- Ray is directing our national diversity partnerships, STEM education initiatives, veterans outreach, and supplier diversity. He's also continuing to lead the BP Foundation and its global philanthropic activities.
- The group has accomplished a great deal; and you can see highlights on this slide of employees recognized and events that we have sponsored.
  - We were very proud to serve as the founding sponsor of the OTC Energy Challenge, where students from local high schools competed to solve real-world energy challenges. And in Chicago, we just wrapped up a sponsorship of the Warrior games. All while being recognized for our commitment to supplier diversity.
- So – you can see how Ray and his team are working together to advance our D&I priorities in a more joined-up, coherent manner.
- Of course, we are also aiming to increase our diverse representation, including our U.S. Minority Ambition for 2025.
- Within the next eight years, we want minorities to represent at least 30 percent of all U.S. employees at levels G through J, and at least 20 percent of all U.S. group and senior-level leaders. As of June 2016, minorities accounted for nearly 26 percent of G–J employees and 17 percent of GLs and SLLs.
- I realize that to make this happen, we need each of you to continue to play your part in fostering an inclusive culture in which everyone feels respected and included.
- It's important that we get this right because our people are BP's most valuable asset, and in the complex environment we face, it's through the relationships that we build that we will ultimately win.

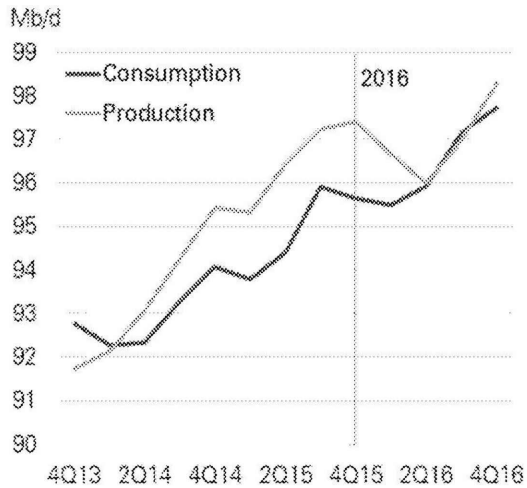
# **Redacted - First Amendment**

# **Redacted - First Amendment**

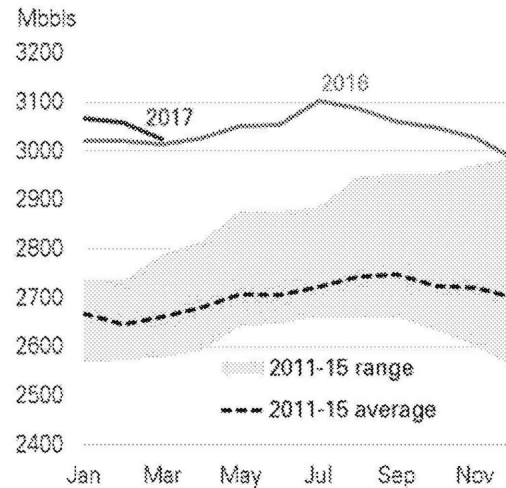
# Oil market: balance and inventories



Oil production and consumption



OECD commercial inventories

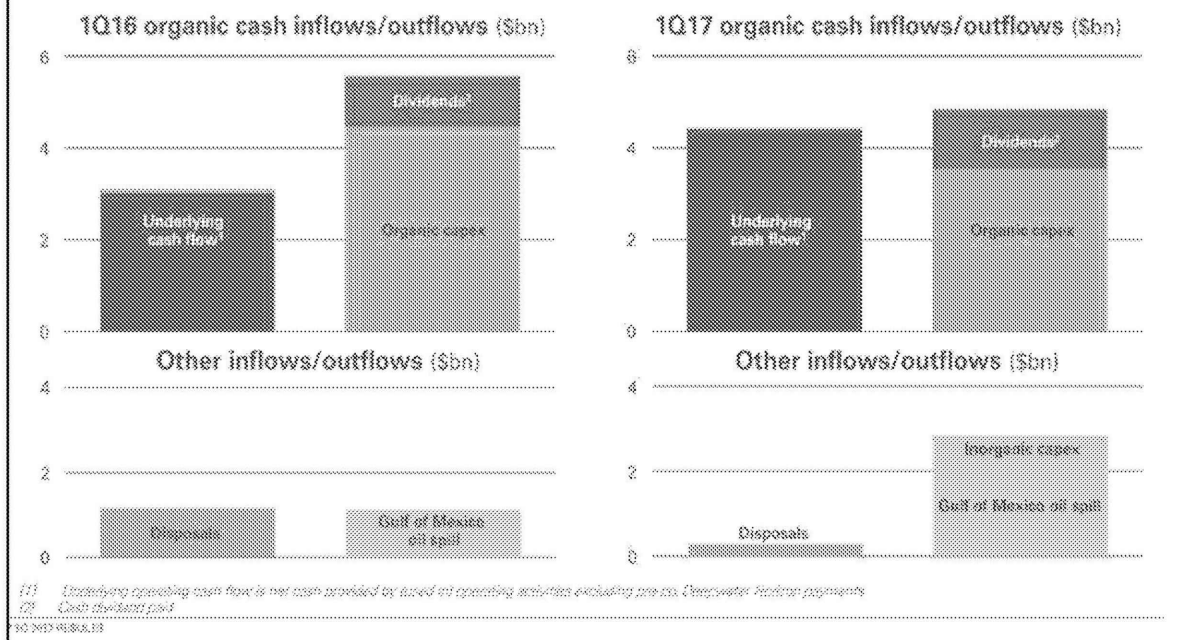


Source: Includes data from the International Energy Agency © OECDEIA 2017

BP Statistical Review of World Energy  
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- While oil prices slid recently, BP expects the oil market to continue rebalancing through the second half of 2017,
- The pace of that rebalancing will depend heavily on
  - (a) whether OPEC and Russia stick to their production cuts and
  - (b) whether U.S. tight oil production grows faster or slower than expected.
- We have done a solid job of managing expenses and delivering cash in the low oil price environment.

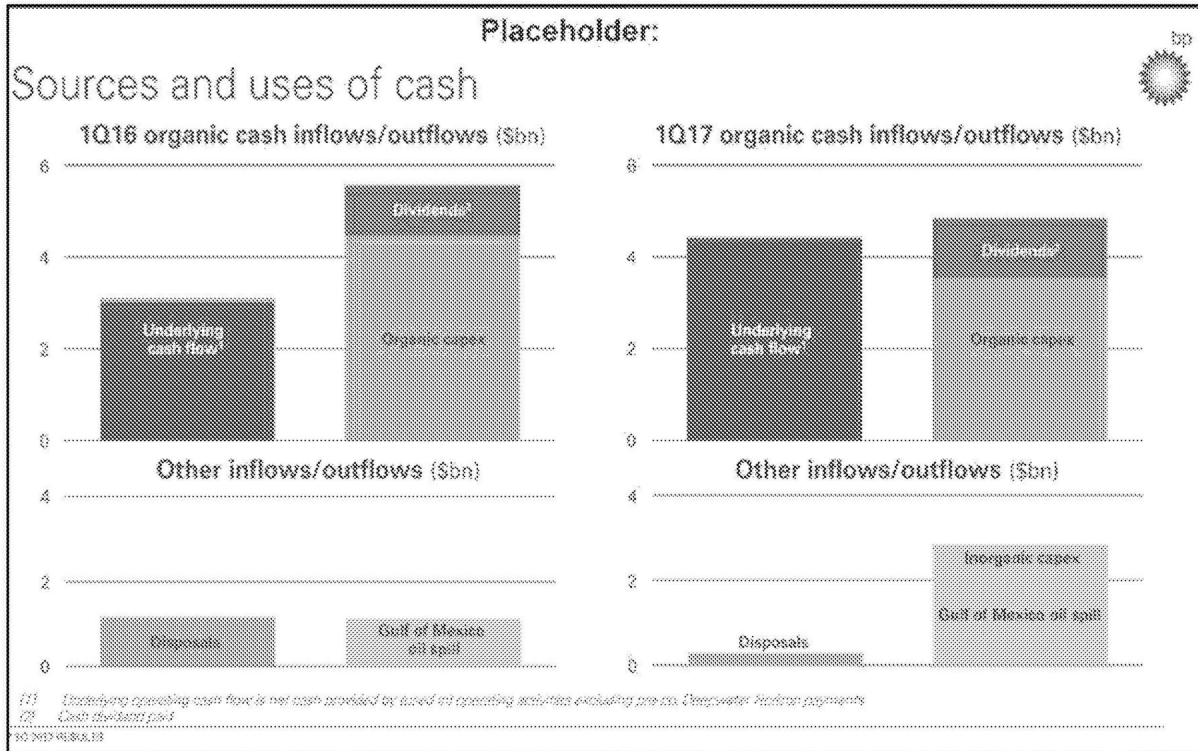
## Sources and uses of cash



### Investor Relations slide. Script provided by them.

- Now looking at cash flow, this slide compares our sources and uses of cash in the first quarter of 2017.
- Excluding pre-tax oil spill related outgoings, underlying operating cash flow for the quarter was \$4.4 billion, including a working capital build of \$1.3 billion. This compared to \$3.0 billion for the same period last year.
- Gulf of Mexico oil spill payments were \$2.3 billion in the first quarter and included a \$740 million Department of Justice settlement payment.
- Organic capital expenditure in the first quarter was \$3.5 billion, compared to \$4.5 billion a year ago.
- Net debt at the end of the quarter was \$38.6 billion and gearing was at 28%, within our 20-30% target band.






- In the U.S., we are making significant contributions to the cash flow and managing CapEx.
- I want to show you what that looks like... Now this slide isn't a perfect apples to apples comparison. It does show the contributions that BP America makes to overall cash flow, and it's an impressive number.
- And That's a good way to wrap up – with a few key reminders about our priorities and our focus as we go through the year:
  - It starts with safety. It is our highest priority and key that we get it right.
  - Then, we have to be mindful of cash – run the business like it's your own money.
  - And finally, be someone that your colleagues want to work with. Live our values. Demonstrate ethics and compliance. And that leads to my final slide

How we deliver  
is as important as  
what we deliver.

Nothing is more important to BP than doing the right thing.

 <http://codeofconduct.bpweb.bp.com>

- I close every town hall with this slide because it is so important to me – and to everyone in this room.
- Every day, on every assignment, we put safety at the heart of everything we do.
- To sum it up: While our business strategy can be adjusted to meet new challenges, our commitment to safety, respect, excellence, courage and one team will never change.
- It starts with listening in order to facilitate a speak-up culture, and then having the processes and discipline in place to consistently deliver safe and compliant operations. So I ask you – how well are you listening to each other? To your colleagues, your peers? Your boss? Your direct reports? Take the time to listen for understanding – facilitate the speak-up culture. It is everyone's responsibility.
- **John: speak to this point –**
- And with that, I'd like to listen to you all again... So let me open it up to questions.



# Q&A